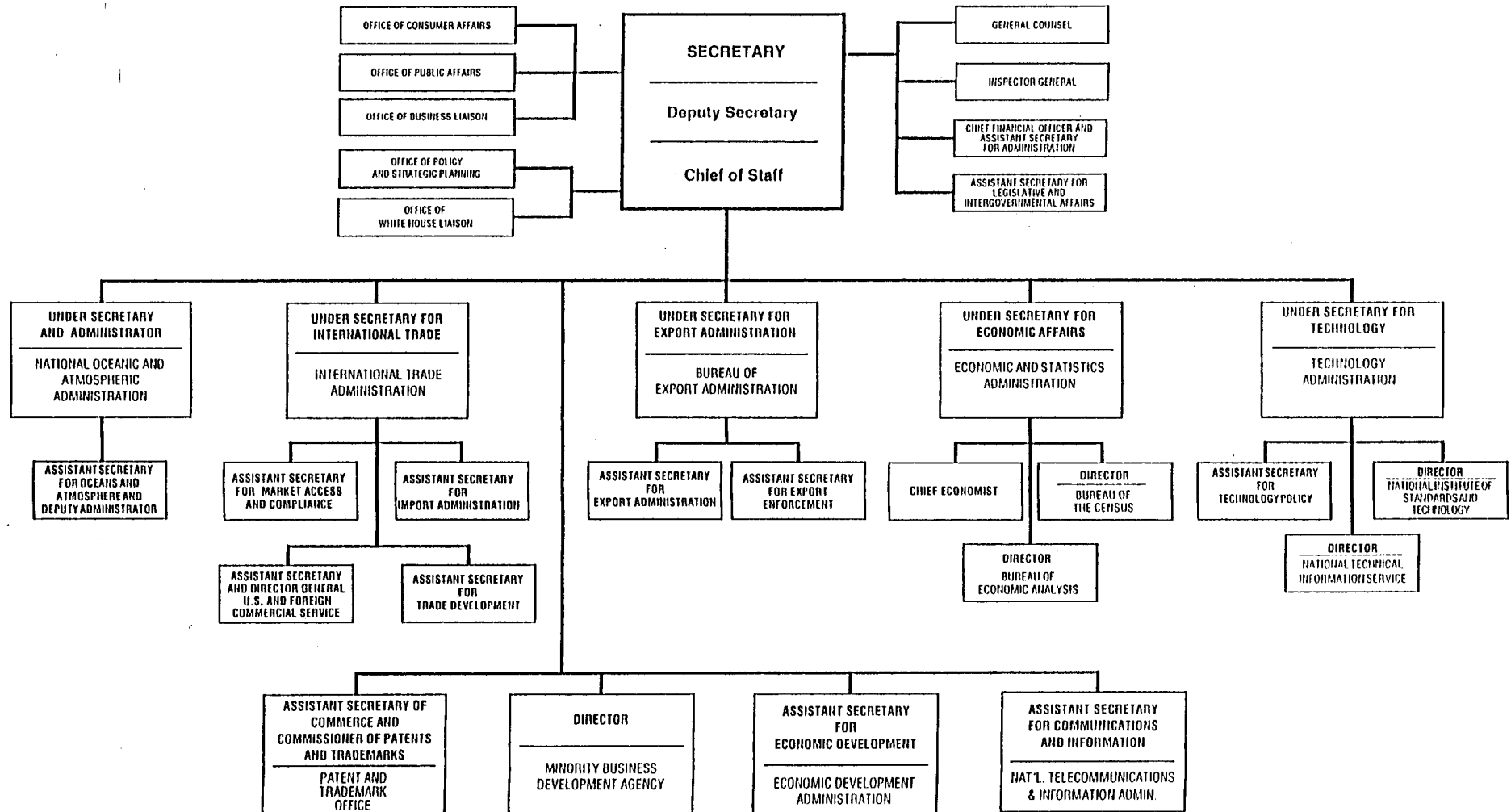


Department of Commerce
General Administration
Budget Estimates, Fiscal Year 2000
Congressional Submission

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U.S. DEPARTMENT OF COMMERCE



April 21, 1997

Department of Commerce
General Administration
Budget Estimates for Fiscal Year 2000
Congressional Submission

EXECUTIVE SUMMARY

The Department of Commerce promotes job creation, economic growth, sustainable development, and improved living standards for all Americans by working in partnership with businesses, universities, communities and workers to: 1) Build for the future and promote U.S. competitiveness in the global marketplace, by strengthening and safeguarding the nation's economic infrastructure; 2) Keep America competitive with cutting-edge science and technology and an unrivaled information base; and, 3) Provide effective management and stewardship of our nation's resources and assets to ensure sustainable economic opportunities. By participating fully in efforts to change the nature and recent course of the Nation's economy, the Department seeks to be at the forefront of building and sustaining economic growth, creating jobs, and encouraging long-term investment. To accomplish this, Commerce is stressing programs to help build public-private partnerships that can find and develop new businesses and trade opportunities.

The Department of Commerce fully supports the President in his effort to lead the Nation in establishing and retaining our position of world technological leadership. Commerce's uniquely business and industry-related programs can help realize the priority goals of the President in the areas of trade, technology, telecommunications networks and infrastructure, environmental infrastructure, economic development, and minority business.

Overall policy direction of the operating bureaus is exercised through the function of the Secretary, the Deputy Secretary and the various Secretarial Officers. The specific functions and programs of the Department that make up these broad activities are authorized by the Department's Organic Act (Act of February 14, 1903 Stat 825) and by other legislation. They also include responsibilities transferred from other agencies by Presidential Reorganization Plans, as well as responsibilities assigned to the Secretary of Commerce by Executive Order or other actions of the President. The general administration of the functions and authorities of the Department is vested in the Secretary of Commerce.

(Dollar amounts in thousands)

		1999 <u>President's Budget</u>		<u>2000 Estimate</u>		Increase(+) <u>Decrease (-)</u>	
<u>Appropriation</u>		<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>	<u>Personnel</u>	<u>Amount</u>
Salaries and Expenses	Pos./BA	260	\$34,700	271	\$34,046	11	(\$654)
	FTE/Obl.	237		248	248	11	

Department of Commerce
General Administration

SUMMARY OF GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

<u>DOC Strategic Theme</u>	<u>Bureau Goal</u>	<u>Bureau Objective</u>	<u>Office/Program</u>	<u>Outputs</u>	<u>Outcomes</u>
1) Economic Infrastructure	Provide Departmental Policies, Planning, and Administrative Guidance to Ensure Implementation of the Department's Mission	Develop Policies and Procedures for Oversight Coordination, Direction and Guidance	General Administration	Policy Implementation of Secretarial Priorities and Consistent Bureau Operations	Bureaus Working Together to Accomplish the Department's Mission
2) Science & Technology Information					
3) Resource/Asset Management & Stewardship					

Department of Commerce
General Administration
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
Appropriation Available, 1999 (includes Y2K Transfer of \$4.7million, P.L. 105-277)	260	237	34,700	35,695
less: Obligations from prior years				(995)
less: 2000 Adjustments to base	11	11	(654)	(654)
2000 Base	271	248	34,046	34,046
2000 Estimate	271	248	34,046	34,046

Comparison by activity:		1998 Actuals		1999 Currently Available		2000 Base		2000 Estimate		Increase/(Decrease) Over 2000 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction	Pos./BA	93	11,445	93	12,689	93	13,391	93	13,391	-0-	-0-
	FTE/Obl.	69	13,587	87	13,076	87		87		-0-	-0-
Departmental Staff Services	Pos./BA	156	16,045	167	22,011	178	20,655	178	20,655	-0-	-0-
	FTE/Obl.	120	16,747	150	22,619	161		161		-0-	-0-
TOTALS	Pos./BA	249	27,490	260	34,700	271	34,046	271	34,046	-0-	-0-
	FTE/Obl.	189	30,334	237	35,695	248		248		-0-	-0-

Adjustments to Obligations:

Recoveries

Unobligated balance, start of year (1,931) (995)

Unobligated balance, transferred

Unobligated balance, end of year 995

Unobligated balance, expiring 92

Financing from Transfers:

Transfer from other accounts (-) (2,000) (4,700)

Transfer to other accounts (+) -0-

Appropriation	27,490	30,000	34,046	34,046	-0-
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Department of Commerce
General Administration
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1998 Actuals	1999 Currently Available	2000 Base	2000 Estimate	Increase/ (Decrease) Over 2000 Base
Total Obligations	74,438	82,695	81,046	81,046	-0-
Offsetting collections from:					
Federal funds	(44,104)	(47,000)	(47,000)	(47,000)	-0-
Trust funds					
Non-Federal sources					
Recoveries					
Unobligated balance, start of year	(1,931)	(995)			
Unobligated balance, transferred		-0-			
Unobligated balance, end of year	995	-0-			
Unobligated balance, expiring	92	-0-			
Budget Authority	29,490	34,700	34,046	34,046	-0-
Financing:					
Transfer from other accounts (-)	(2,000)	(4,700)			
Transfer to other accounts (+)	-0-	-0-			
Appropriation	27,490	30,000	34,046	34,046	-0-

Department of Commerce
General Administration
Salaries and Expenses
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	Pos	FTE	Amount
Transfers:			-0-
Adjustments:			
Systems Acquisitions Office	11	11	700
Continuation of 1999 Operating Level			1,207
Non-recurring Y2K funds			(4,700)
Financing:			-0-
Other Changes:			
Annualization of FY 1999 pay raise			194
FY 2000 pay raise			785
Within-grade step increases			193
Civil Service Retirement System (CSRS)			(24)
Federal Employees' Retirement System (FERS)			31
Thrift Savings Plan (TSP)			41
Federal Insurance Contribution Act (FICA) - OASDI			15
Health Insurance			43
Employees Compensation Fund			21
Travel, Per Diem			3
Rental Payments to GSA			88
Postage			2
Printing and reproduction			2
Other Services:			
Working Capital Fund			766
Commerce Administrative Management Systems (CAMS)			(70)
General Pricing Level Adjustment			11
Federal Telecommunications System			9
National Archives and Records Administration			29
Subtotal, Other Changes			2,139
Total, adjustments-to-base	11	11	(654)

Department of Commerce
General Administration
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

Adjustments:

	FTE	Amount
Systems Acquisitions Office.	11	700
This adjustment reflects 11 FTE and \$700,000 to fund the Systems Acquisition Office being transferred from NOAA.		
Continuation of FY 1999 Operating Level.		1,207
In order to continue the FY 1999 operating level, \$1,207,000 is required.		
Non-recurring Y2K Funds.		(4,700)
Funds of \$4,700,000 for Y2K will not be required in FY 2000.		

Other Changes:

Pay Raise.	979
-------------------------	-----

Annualization of FY 1999 Pay Raise

A pay raise of 3.6% is effective January 1999.

Total cost in FY 2000 of the FY 1999 pay increase	695,000
Less amount requested in FY 1999	(501,000)
Less amount absorbed in FY 1999	-0-
Amount requested in FY 2000 for FY 1999 pay increase	194,000

FY 2000 Pay Raise

A general pay raise of 4.4% is assumed to be effective January 1, 2000.

Total cost in FY 2000 of pay increase	647,000
Less amount absorbed	-0-
Amount requested for FY 2000 pay increase	647,000
Payment to Working Capital Fund	138,000
Amount requested in FY 2000 for FY 2000 pay increase	785,000

Within-grade step increase.	193
--	-----

An increase of \$192,766 is required to cover the cost of within-grade step increases. This estimate reflects the net cost of step increases which will be earned in FY 2000.

Estimated number of within-grade step increases	139
Step increases not earned due to turnover (17.0% x 139)	24
Average step above step 1 per separation	2
Average cost of within-grade step increase	1,813
Gross cost of scheduled step increases (\$1,813 x 139)	252,007
Less savings due to separations (\$1,813 x 24 x 2)	(87,024)
Subtotal, personnel compensation	164,983
Benefits	27,783
Total adjustment-to-base	192,766

	FTE	Amount
Civil Service Retirement System (CSRS)		(24)
The number of employees covered by the Civil Service Retirement System (CSRS) continues to decrease as employees are replaced by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will decrease from 42.1% in FY 1999 to 40.4% in FY 2000. The contribution rate remained the same at 8.51%.		
FY 2000 (\$16,773,000 x .404 x .0851)	576,662	
FY 1999 (\$16,773,000 x .421 x .0851)	600,928	
Total adjustment-to-base	(24,266)	
Federal Employees' Retirement System (FERS)		31
The number of employees covered by FERS continues to rise as employees covered by CSRS are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 57.9% in FY 1999 to 59.6% in FY 2000. The contribution rate will remain the same at 10.7%.		
FY 2000 (\$16,773,000 x .596 x .107)	1,069,648	
FY 1999 (\$16,773,000 x .579 x .107)	1,039,138	
Total adjustment-to-base	30,510	
Thrift Savings Plan (TSP)		41
The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to rise from 3.69% to 3.99%.		
FY 2000 (\$16,773,000 x .596 x .0399)	398,869	
FY 1999 (\$16,773,000 x .579 x .0369)	358,357	
Total adjustment-to-base	40,512	

	FTE	Amount
Federal Insurance Contributions Act (FICA) - OASDI.		15
The OASDI tax rate will remain constant at 6.2%. The annual salary subject to the OASDI tax will rise from \$70,725 in FY 1999 to \$73,275 in FY 2000. The percent of salaries below the cap will increase from 81.09% in FY 1999 to 81.11% in FY 2000. And the total salaries taxable by OASDI will increase from 57.9% in FY 1999 to 59.6% in FY 2000. The combination of the above adjustments results in a net increase of \$14,648.		
FERS payroll subject to FICA tax in FY 2000 (\$16,773,000 x .596 x .8111 x .062)	502,716	
FERS payroll subject to FICA tax in FY 1999 (\$16,773,000 x .579 x .8109 x .062)	488,257	
Subtotal	14,459	
Other payroll subject to FICA tax in FY 2000 (\$219,000 x .596 x .8111 x .062)	6,564	
Other payroll subject to FICA tax in FY 1999 (\$219,000 x .579 x .8109 x .062)	6,375	
Subtotal	189	
Total adjustment-to-base	14,648	
Health Insurance.		43
Effective January 1998, the cost of the U.S. Government's contribution to the Federal employee's health insurance premium increased by 8.1%. Applied against the FY 1999 estimate of \$531,000, the additional amount required is \$43,011.		
Employees Compensation Fund.		21
The Employees Compensation Fund bill for the year ending June 30, 1998 is \$21,404 higher than the bill for the year ending June 30, 1997. The charges will be reimbursed to the Department of Labor pursuant to 5 U.S.C. 8147.		
Travel, Per Diem.		3
Effective January 1, 1998 the General Service Administration raised per diem rates. This increase resulted in a 2.8% increase to this bureau. This percentage was applied to the FY 1999 estimate of \$110,000 to arrive at an increase of \$3,080.		
Rental Payments to GSA.		88
GSA rates are projected to increase 2.6% for FY 2000. This percentage was applied to the FY 1999 estimate of \$3,399,000 to arrive at an increase of \$88,374.		

	<u>FTE</u>	<u>Amount</u>
Postage.....		2
Postal rates are projected to increase 3% for FY 2000. This percentage applied against the FY 1999 estimate of \$70,000, results in an increase of \$2,100.		
Printing and Reproduction.....		2
GPO has provided an estimated rate increase of 3.1%. This percentage was applied to the FY 1999 estimate of \$56,000 to arrive at an increase of \$1,736.		
Other Services:		
Working Capital Fund.....		766
An additional \$766,000 is required to fund cost increases in General Administrations Working Capital Fund.		
Commerce Administrative Management System (CAMS).....		(70)
A decrease of \$70,000 has been made to reflect a decrease in costs for the O/S portion of CAMS.		
General Pricing Level Adjustment.....		11
This request applies 1.0% based on OMB economic assumptions for FY 2000 to sub-object classes where the prices that the Government pays are established through the market system. Factors are applied to rental payments to others (\$700); communications, utilities, and miscellaneous charges (excluding postage & FTS) (\$2,790); other services (\$3,760); supplies and materials (\$2,430); and equipment (\$1,420).		
Federal Telecommunications Systems.....		9
Effective January 1, 1998 there is a surcharge of 4.9% for FTS 2000 to cover the costs of providing universal service. This is a result of the Telecommunications Act of 1996. This percentage was applied to the FY1999 estimate of \$181,000.		
National Archives and Records Administration Storage Costs.....		29
Effective FY 2000, the National Archives and Records Administration (NARA) will begin billing agencies for records storage and maintenance costs. The estimate for General Administration is \$28,973.		
Total FY 2000 adjustments-to-base.....	<u>11</u>	<u>(654)</u>

Department of Commerce
General Administration
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

		1998		1999		2000		2000		Increase/(Decrease)	
		Actuals		Currently Available		Base		Estimate		Over 2000 Base	
Comparison by activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction	Pos./BA	93	11,445	93	12,689	93	13,391	93	13,391	-0-	-0-
	FTE/Obl.	69	13,587	87	13,076	87		87		-0-	-0-
Departmental Staff Services	Pos./BA	156	16,045	167	22,011	178	20,655	178	20,655	-0-	-0-
	FTE/Obl.	120	16,747	150	22,619	161		161		-0-	-0-
TOTALS	Pos./BA	249	27,490	260	34,700	271	34,046	271	34,046	-0-	-0-
	FTE/Obl.	189	30,334	237	35,695	248		248		-0-	-0-

Department of Commerce
General Administration
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Goals

Provide Departmental policies, planning, and administrative guidance to ensure the efficient and effective implementation of the Department's mission statement.

Objectives

Within the Salaries and Expenses Appropriation two budgetary line activities fund the senior officials and supporting staff responsible for providing leadership for ensuring the accomplishment of the Department's mission.

Executive Direction:

To develop and implement Departmental policies and coordinate Bureau program activities to accomplish the Departmental mission. This includes the oversight, direction and coordination of the Department's many activities and the representation of the Administration before the public, the business community, the Congress and other executive agencies and departments.

Departmental Staff Services:

To develop and implement the Department's internal policies, procedures, and other administrative guidelines. To allow the Secretary to plan, supervise and direct the resources and programs of the Department and executes his obligations under law. To ensure consistency in the bureaus' administrative operations and provide for consistency among bureau administrative policies and procedures.

Department of Commerce
General Administration
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes	1998 Actuals	1999 Currently Available	2000 Base	2000 Estimate	Increase/ (Decrease) Over 2000 Base
11 Personnel compensation:					
11.1 Full-time permanent	13,611	16,742	18,132	18,132	0
11.3 Other than full-time permanent	27	31	32	32	0
11.5 Other personnel compensation	529	306	306	306	0
11.9 Total personnel compensation	14,167	17,079	18,470	18,470	0
12.1 Civilian personnel benefits	2,537	3,521	3,978	3,978	0
13 Benefits for former personnel	50	97	97	97	0
21 Travel and transportation of persons	659	315	318	318	0
22 Transportation of things	15	0	0	0	0
23.1 Rental payments to GSA	3,404	3,399	3,487	3,487	0
23.2 Rental payments to others	47	70	71	71	0
23.3 Communication, utilities and miscellaneous charges	564	530	544	544	0
24 Printing and reproduction	16	56	58	58	0
25.1 Consulting services	0	0	0	0	0
25.2 Other services	1,800	672	1,500	1,500	0
25.3 Purchase of Goods and services from Gov't accounts	5,972	3,876	4,635	4,635	0
26 Supplies and materials	324	243	245	245	0
31 Equipment	748	142	643	643	0
41 Grants, subsidies and contributions	0	0	0	0	0
43 Interest and dividends	31	0	0	0	0
99 Total obligations	30,334	30,000	34,046	34,046	0
Less prior year recoveries			0	0	0
TOTAL BUDGET AUTHORITY			34,046	34,046	0

Department of Commerce
General Administration
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Personnel Data	1998 Actuals	1999 Currently Available	2000 Base	2000 Estimate	Increase/ (Decrease) Over 2000 Base
Full-Time Equivalent Employment:					
Full-time permanent	187	236	247	247	0
Other than full-time permanent	2	1	1	1	0
Total	189	237	248	248	0
Authorized Positions:					
Full-time permanent	247	258	269	269	0
Other than full-time permanent	2	2	2	2	0
Total	249	260	271	271	0

Department of Commerce
General Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes		2000 Adjustments to Base	2000 Base	2000 Estimate	Increase/ (Decrease) Over 2000 Base
11	Personnel compensation:				
11.1	Full-time permanent				
	Executive level	0	629	629	0
	Senior executive service	136	3,581	3,581	0
	General schedule	1,754	13,922	13,922	0
	Subtotal	1,890	18,132	18,132	0
11.3	Other than full-time permanent:				
	General schedule	1	32	32	0
11.5	Other personnel compensation:				
	Overtime	0	0	0	0
	SES performance awards	0	87	87	0
	Cash awards	0	219	219	0
	Subtotal	0	306	306	0
11.9	Total personnel compensation	1,891	18,470	18,470	0
12.1	Civilian personnel benefits:				
	Civil service retirement system	28	781	781	0
	Federal employees' retirement system	172	1,188	1,188	0
	Thrift savings plan	67	345	345	0
	Federal insurance contribution act (FICA) - OASDI	77	804	804	0
	Health insurance	78	609	609	0
	Life Insurance	2	30	30	0
	Employees' compensation fund	33	221	221	0
	Subtotal	457	3,978	3,978	0
13	Benefits for former personnel		97	97	0

Department of Commerce
General Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes		2000 Adjustments to Base	2000 Base	2000 Estimate	Increase/ (Decrease) Over 2000 Base
21	Travel and transportation of persons:				
	Common carrier	0	155	155	0
	Foreign	0	18	18	0
	Mileage	0	9	9	0
	Per diem/actual	3	113	113	0
	Vehicular	0	23	23	0
	Other	0	0	0	0
	Subtotal	3	318	318	0
22	Transportation of things				
23.1	Rental payments to GSA	88	3,487	3,487	0
23.2	Rental payments to others	1	71	71	0
23.3	Communication, utilities and miscellaneous charges:				
	Rental of ADP equipment				
	Rental of office copying equipment				
	Other equipment rental				
	Federal telecommunications system	9	190	190	0
	Other telecommunications services	3	282	282	0
	Postal service by USPS	2	72	72	0
	Other	0	0	0	0
	Subtotal	14	544	544	0
24	Printing and reproduction:				
	Publications	2	10	10	0
	Other	0	48	48	0
	Subtotal	2	58	58	0

Department of Commerce
General Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes		2000 Adjustments to Base	2000 Base	2000 Estimate	Increase/ (Decrease) Over 2000 Base
25.1	Consulting services:				
	Management and professional support services				
	Studies, analyses and evaluations				
	Engineering and technical services				
	Subtotal	0	0	0	0
25.2	Other services:				
	Training University	0	14	14	0
	Other	0	131	131	0
	Maintenance of equipment	48	21	21	0
	ADP services	(4,700)	58	58	0
	Telecommunications services	0	90	90	0
	Other non-government contracts	0	1,057	1,057	0
	Other	29	129	129	0
	Subtotal	(4,623)	1,500	1,500	0
25.3	Purchase of Goods and services from Gov't accounts:				
	Office of personnel management	4	14	14	0
	GSA reimbursable services	0	0	0	0
	CAMS	(70)	(70)	(70)	0
	Payments to GA's WCF	1,576	4,691	4,691	0
	Subtotal	1,510	4,635	4,635	0
26	Supplies and materials:				
	Office supplies	0	206	206	0
	ADP supplies	2	39	39	0
	Other	0	0	0	0
	Subtotal	2	245	245	0

Department of Commerce
General Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Classes		2000 Adjustments to Base	2000 Base	2000 Estimate	Increase/ (Decrease) Over 2000 Base
31	Equipment:				
	Office machines and equipment	0	40	40	0
	ADP hardware	1	588	588	0
	ADP software	0	15	15	0
	Other	0	0	0	0
	Subtotal	1	643	643	0
41	Grants, subsidies and contributions				
43	Interest and dividends				
99	Total obligations	(654)	34,046	34,046	0
	Less prior year recoveries				
	TOTAL BUDGET AUTHORITY	(654)	34,046	34,046	0

Department of Commerce
General Administration
Salaries and Expenses
Appropriation Summary Statement

Appropriation: Salaries and Expenses

The Appropriation “Salaries and expenses”, provides funding for the Secretary, Deputy Secretary and support staff. Responsibilities include policy development and implementation affecting U.S. and international activities as well as establishing internal goals and objectives for the operation of the Department. The functions include primary liaison with the Executive Branch, Congressional and private sector groups, and acting as the management and administrative control point for the Department.

The “Salaries and expenses” budget request for 2000 is \$34,046,000.

Department of Commerce
General Administration
Salaries and Expenses
Appropriation Language and Code Citation

Appropriation: Salaries and Expenses

1. For expenses necessary for the general administration of the Department of Commerce provided for by law,

15 U.S.C. 1501

15 U.S.C. 1501 provides that: "There shall be... the Department of Commerce, and a Secretary of Commerce, who shall be the head thereof..." The sections which follow 15 U.S.C. 1501 establish various Assistant Secretaries and define general powers and duties of the Department.

2. Including not to exceed \$3,000 for official entertainment, \$30,000,000.

No Specific Authority

5 U.S.C. 5536 prohibits additional pay or allowance to employees unless the appropriation therefore specifically states that it is for the additional pay or allowance.

Department of Commerce
General Administration
Salaries and Expenses
Consulting and Related Services
(Obligations in Thousands)

	1998 <u>Actual</u>		1999 <u>Estimate</u>		2000 <u>Estimate</u>
Consulting Services.....	\$ 0		\$ 0		\$ 0
Management and professional services.....	0		0		0
Special studies and analyses.....	0		0	0	
Management and support services for research and development.....	<u>0</u>	<u>0</u>	0	<u>0</u>	
Total.....	\$ 0		\$ 0		\$ 0

The Department of Commerce has established a comprehensive system for identifying and reviewing all proposed contracts and personnel appointments for consulting and advisory and assistance services. The Deputy Secretary is responsible for the overall control and approval of these services throughout the Department. Human Resources Management experts and consultants may be hired on a temporary basis to perform highly specialized services that cannot be performed by available personnel, such as: Providing advice and assistance for a wide range of speech writing and media related activities.

Department of Commerce
General Administration
Salaries and Expenses
Periodicals, Pamphlets, and Audiovisual Products
(Obligations in Thousands)

	1997 <u>Actual</u>	1998 <u>Actuals</u>	1999 <u>Estimate</u>	2000 <u>Estimate</u>
Periodicals.....	\$ 18	\$ 16	\$ 17	\$ 17
Pamphlets.....	0	0	0	0
Audiovisuals.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total.....	\$ 18	\$ 16	\$ 17	\$ 17

Pamphlets

Pursuant to 15 U.S.C. 1519, the Secretary of Commerce must make a report in writing to Congress giving an account of all monies received and disbursed by the Department. He must also describe the work done by the Department in fostering, promoting and developing the foreign and domestic commerce, the mining, manufacturing and fishery industries of the U.S., and make such recommendations as he shall deem necessary for the effective performance of the duties and purposes of the Department. In addition to the description and accomplishments of the Department and its various units, this report includes a directory of key officials, and a summary of employment and financing for the past year.

Department of Commerce
General Administration
Salaries and Expenses
Average Grade and Salaries

	1998 <u>Actual</u>	1999 <u>Estimate</u>	2000 <u>Estimate</u>
Average ES Grade.....	3.50	3.50	3.50
Average GS/GM Grade.....	11.80	11.78	11.78
Average GS/GM Salary.....	\$ 52,701	\$ 54,372	\$ 56,669

Department of Commerce
General Administration
Franchise Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Reimburs. Obligations
Currently Available, 1999	31		31	16,500
2000 Base	31		31	16,500
plus: Increased reimbursable activity	3		3	
2000 Estimate	34		34	16,500

		1998 Actuals		1999 Currently Available		2000 Base		2000 Estimate		Increase/(Decrease) Over 2000 Base	
Comparison by activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
O.S. - Office of Computer Services	Pos./BA	31		31		34		34		-0-	
	FTE/Obl.	27	15,937	31	16,500	34	16,500	34	16,500	-0-	
TOTAL REQUIREMENTS	Pos./BA	31		31		34		34		-0-	
	FTE/Obl.	27	15,937	31	16,500	34	16,500	34	16,500	-0-	

Department of Commerce
General Administration
Franchise Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Goals

The goal of the Commerce Franchise Fund, one of the six pilot funds authorized by the Government Management Reform Act (P.L.103-356), is to promote entrepreneurial business activities in common administrative services across the Federal Government. Congress established the Franchise Fund Pilot Program to allow market forces to improve the delivery of common administrative services. The Fiscal Year 1999 budget proposes that 4% of the total annual income of this fund be retained in the fund for fiscal year 2000 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment and for the improvement and implementation of Department financial management, ADP and other support systems.

Objectives

The objectives of these business activities are to:

- create business like operations that are:
 - self sustaining and achieve full cost recovery,
 - completely competitive with no subsidies,
 - allow customers to take their business elsewhere.
- inject competition and market forces into the delivery of administrative services to both lower costs as well as to provide better services, and
- create a customer-oriented workforce that is capable of providing quality services and products.

Department of Commerce
General Administration
Working Capital Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	FTE	Budget Authority	Direct Obligations
Amount Available, FY 1999	668	646		91,340
less: Obligations from prior years
plus: 2000 Adjustments to base	22	22		9,672
less: prior year recoveries
2000 Base	690	668		101,012
plus (or less): 2000 Program Changes	37	37		24,640
2000 Estimate	727	705		125,652

		1998 Actuals		1999 Currently Available		2000 Base		2000 Estimate		Increase/ (Decrease)	
<u>Comparison by activity:</u>		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Departmental Staff Services.....	Pos./BA	382	...	459	...	477	...	510	...	33	...
	FTE/Obl.	306	68,230	441	75,675	459	82,568	492	106,554	33	23,986
General Counsel.....	Pos./BA	188	...	191	...	195	...	199	...	4	...
	FTE/Obl.	171	20,733	188	21,409	192	24,150	196	24,461	4	311
Public Affairs.....	Pos./BA	18	...	18	...	18	...	18
	FTE/Obl.	12	1,454	17	1,540	17	1,578	17	1,921	...	343
Subtotal.....	Pos./BA	588	...	668	...	690	...	727	...	37	...
	FTE/Obl.	489	90,417	646	98,624	668	108,296	705	132,936	37	24,640
Less Intra-Fund Transfers.....			<u>(7,190)</u>		<u>(7,284)</u>		<u>(7,284)</u>		<u>(7,284)</u>		
Total Requirements.....			83,227		91,340		101,012		125,652		

Department of Commerce
General Administration
Working Capital Fund
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
Transfers	22	...
Adjustments:		
Continuation of 1999 Operating Level	7,332
<u>Other changes:</u>		
1999 Pay Raise	226
2000 Pay Raise	1,231
Within-grade step increases	313
Civil Service Retirement System (CSRS)	(46)
Federal Employees Retirement System (FERS)	58
Thrift Savings Plan	11
Federal Insurance Contributions Act (FICA)-OASDI	53
Health insurance	76
Rental payments to GSA	131
Postage	10
GPO Printing	19
General Pricing Level Adjustments	254
Federal Telecommunications System	<u>...</u>	<u>4</u>
Subtotal, Adjustments to Base	2,340
 Total, Adjustments to Base	 <u>22</u>	 <u>9,672</u>

Department of Commerce
General Administration
Working Capital Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar Amounts in thousands)

Exhibit 9

	<u>FTE</u>	<u>Amount</u>
<u>Transfers:</u>	22	...
Pursuant to memorandums of understanding, the Bureau of the Census agrees to transfer 18 FTE to the Office of Civil Rights to provide support for the EEO Complaint Processing Program associated with the 2000 Decennial Census. In addition, the National Institute of Standards and Technology agrees to transfer 1 FTE and the Bureau of Export Administration agrees to transfer 3 FTE to the Office of the General Counsel for legal support services.		
<u>Adjustments:</u>		
The continuing base operating level for Working Capital Fund services provided to the Bureaus increased significantly during 1998. The major program changes occurred in the Office of General Counsel, Office of Financial Management, Office of Human Resources Management and the Office of Security. The General Counsel has experienced a massive workload increase completing information disclosure requests in accordance with Freedom of Information Lawsuits, grand jury investigations and Congressional requests. The Office of Financial Management supported increased CAMS contractual efforts including System Engineering and Technical Assistance (SETA) contract for development and staffing for the implementation of CAMS. The Office of Human Resources Management has been tasked with a variety of projects which improve workforce performance and promote mission accomplishments by improving the quality of personnel services. The Office of Security increased in size and scope to improve security of facilities, employees and technical information implementing the Reinsch Report.		
	...	7,332
<u>Other changes:</u>		
<u>Annualization of FY 1999 Pay Raise</u>	226
A pay raise of 3.6% is assumed to be effective January 1, 1999.		
Total cost in 2000 of 1999 pay increase		941,838
Less amount requested in FY 1999		679,000
Less amount absorbed		<u>(36,838)</u>
Amount requested in FY 2000 for FY 1999 pay increase		226,000
<u>FY 2000 Pay Raise</u>	1,231
A general pay raise of 4.4% is assumed to be effective January 1, 2000.		
Total cost of FY 2000 pay increase		1,231,000
Less amount absorbed		<u>...</u>
Amount requested for FY 2000 pay increase		1,231,000

	FTE	Amount
<u>Within-grade step increases</u>	313
An increase of \$312,741 is required to cover the cost of within-grade step increases. This estimate reflects the net cost of step increases which will be earned in FY 2000.		
Estimated number of within-grade step increases	229	
Step increases not earned due to turnover (17.0% x 229)	39	
Average step above step 1 per separation	2	
Average cost of within-grade step increase	1,783	
Gross cost of scheduled step increases (\$1,783 x 229)	408,307	
Less savings due to separations (\$1,783 x 39 x 2)	<u>(139,074)</u>	
Subtotal, personnel compensation	269,233	
Benefits	<u>43,508</u>	
Total adjustment-to-base	312,741	
 <u>Civil Service Retirement System (CSRS)</u>	(46)
The number of employees covered by the CSRS continues to decrease as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will decrease from 42.1% in FY 1999 to 40.4% in FY 2000. Contribution rates will remain the same at 8.51%.		
FY 2000 (\$32,119,000 x .404 x .0851)	1,104,264	
FY 1999 (\$32,119,000 x .421 x .0851)	<u>1,150,731</u>	
Total adjustment-to-base	(46,467)	
 <u>Federal Employees' Retirement System (FERS)</u>	58
The number of employees covered by FERS continues to rise as employees covered by CSRS are replaced by employees covered by FERS. The estimated percentage of payroll for eligible employees covered by FERS will rise from 57.9% in FY 1999 to 59.6% in FY 2000. Contribution rates will remain the same at 10.7%.		
FY 2000 (\$32,119,000 x .596 x .107)	2,048,293	
FY 1999 (\$32,119,000 x .579 x .107)	<u>1,989,868</u>	
Total adjustment-to-base	58,425	
 <u>Thrift Savings Plan</u>	11
The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain the same at 2%.		
FY 2000 (\$32,119,000 x .596 x .02)	382,858	
FY 1999 (\$32,119,000 x .579 x .02)	<u>371,938</u>	
Total adjustment-to-base	10,920	

	<u>FTE</u>	<u>Amount</u>
<u>Federal Insurance Contributions Act (FICA)</u>	53
As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from \$70,725 in FY 1999 to \$73,275 in FY 2000. The OASDI tax rate will remain 6.2% for FY 2000.		
FERS payroll subject to FICA tax in FY 2000 (\$32,119,000 x .596 x .9480 x .062)		1,125,145
FERS payroll subject to FICA tax in FY 1999 (\$32,119,000 x .579 x .9306 x .062)		<u>1,072,989</u>
Subtotal		52,156
Other payroll subject to FICA tax in FY 2000 (\$702,000 x .596 x .9480 x .062)		24,591
Other payroll subject to FICA tax in FY 1999 (\$702,000 x .579 x .9306 x .062)		<u>23,451</u>
Subtotal		1,140
Total adjustment-to-base		53,296
<u>Health Insurance</u>	76
Effective January 1998 the cost of the U.S. Government's contribution to the Federal employees' health insurance premiums increased by 7.1%. Applied against the 1999 estimate of \$1,075,000, the additional amount required is \$76,325.		
<u>Rental Payments to GSA</u>	131
GSA rates are projected to increase 2.6% in FY 2000. This percentage was applied to the FY 1999 estimate of \$5,037,000 to arrive at an increase of \$130,962.		
<u>Postage</u>	10
Postal rates are projected to increase 3.0% for FY 2000. This percentage applied against the FY 1999 estimate of \$321,000, results in an increase of \$9,630.		
<u>GPO Printing</u>	19
GPO has provided an estimated rate increase of 3.1 percent. This percentage was applied to the FY 1999 estimate of \$619,000 to arrive at an increase of \$19,189.		
<u>General Pricing Level Adjustments</u>	254
This request applies OMB economic assumptions of 1.0% for FY 2000 to sub-object classes where the prices that the government pays are established through the market system. Factors are applied to object classes that result in the following adjustments to base: transportation of things [\$1,000]; rental payments to others [\$1,000]; communications, utilities and miscellaneous [\$31,000] other services [\$183,000]; supplies and materials [\$26,000]; and equipment [\$12,000].		
<u>Federal Telecommunications System (FTS)</u>	4
Effective January 1, 1998 there is a surcharge of 4.9% for FTS 2000 to cover the costs of providing universal service. This is a result of the Telecommunication Act of 1996. This percentage was applied to the FY 1999 estimate of \$76,000 for an increase of \$3,724.		
Subtotal, Other changes	<u>0</u>	<u>2,340</u>
Total, Adjustments-to-Base	22	9,672

Department of Commerce
General Administration
Working Capital Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Goals and Objectives

Goals and Objectives: To provide necessary centralized services to clients in the most efficient and effective manner possible consistent with Government-wide and Departmental policy. These services include Human Resources Management, Civil Rights, Executive Budgeting and Assistance Management, Financial Management, Security, Administrative Services, Acquisition Management, Chief Information Office, General Counsel and Public Affairs.

Base Program

Departmental Staff Services:

Deputy Assistant Secretary for Security	Establishes policies and procedures for personnel security, for safeguarding classified and sensitive documents and information, for protecting Departmental personnel, for facilities and property; and provides guidance to Departmental offices and operating units on security related matters.
Office of the Chief Information Officer	Provides analysis, design, development, support, and oversight for Department automated systems for administrative and program management; provides ADP software design, development, and technical services; provides department-wide coordination and technical support for the development and operation of ADP, telecommunications, E-Mail and Electronic Messaging, and automated administrative systems, including the requirements of users; and assists other Federal agencies interested in the Department's automated information systems.
Director for Human Resources Management	Implements Government-wide and Departmental policies, programs and activities in all aspects of human resources management and administration including recruitment and placement, classification, payroll support and administration, incentive awards, training and development, employee and labor relations, unemployment and workers' compensation, employee benefits and drug testing.
Director of Civil Rights	Conducts discrimination complaint investigations and adjudications, provides equal employment program support and affirmative action program support to selected operating units.
Director for Executive Budgeting and Assistance Management	Provides budget functions for all appropriations under General Administration. Provides controllership functions for the Department's Working Capital Fund and financial support and guidance department-wide on matters concerning the Working Capital Fund. Performs federal assistance administrative duties and responsibilities to ensure that federal assistance actions comply with Departmental procedures and provides travel management support for the Department.
Director for Financial Management	Implements policies and procedures for Departmental financial management, provides the management and operation of a primary accounting system for the Office of the Secretary and selected bureaus, provides consolidated financial reporting, and develops the Commerce Administrative Management System.
Director for Administrative Services	Provides publications; printing; library services; mail; messenger and distribution services; policies and procedures for supplies, space management and use, property management, building management for the Herbert C. Hoover Building (HCHB) including operations, maintenance and repairs, labor services, motor vehicle management, historic preservation, energy conservation, concessions, travel and shipping, and selected telecommunications services.
Director for Acquisition Management	Provides procurement services for offices located in the Washington Metropolitan Area, including minimal support to the National Oceanic and Atmospheric Administration, National Technical Information Service, Census, and Patent and Trademark Office.

Director for Budget	Provides for the design, development, implementation and maintenance of an integrated, on-line budget and performance reporting system which will help the Department and its bureaus process, store, analyze and communicate budget and performance information more efficiently and effectively.
Director for Management and Organization	Provides office management and organization support, including maintaining the department-wide directive management system and the Departmental Quick Reaction Task Order contract.
General Counsel	Provides legal advice, guidance and services on matters involving Departmental programs and components. Supervises the development of the Department's legislative program and the delivery of effective legal services for the growing needs of major programs.
Public Affairs	Promotes public understanding and support of DOC programs, services and consumer issues. Ensures continuity and cost-effective management of Departmental public affairs programs. Acts as the primary point of contact on Department of Commerce issues for the White House and Federal departments and agencies.

Department of Commerce
General Administration
Working Capital Fund
INCREASE FOR FY 2000
(Dollar Amounts in thousands)

	<u>FTE</u>	<u>Amount</u>
<u>Program Increases:</u>		
<u>Base Program</u>		
Base program investment improves customer service and addresses additional central service requirements. The Office of the General Counsel increases staff to improve Bureau support in Administrative support, law library and Finance and Litigation. The Office of Public Affairs will replace outdated equipment and install a new color processing system in the Studio Production Facility. The Office of Security will ensure compliance with the Reinsch Report in consolidating and enhancing security at the Department level. The Acquisition Management Office increase supports the CAMS IV & V initiative. Budget, Management and Information funds the automated budget formulation and tracking system which moves the bureau formulation process on-line for budget submissions. The Office of Executive Budgeting and Assistance Management establishes an A-76 Implementation Team to oversee the evaluation of contract services vs. Federal employees. The Office of Civil Rights hires EEO Counselors to improve quality and responsiveness to all employees. Human Resources funds improve customer service in personnel operations, employment services, alternate dispute resolution and career reinvention.	22	3,110
<u>CAMS</u>		
This request is for the increased costs for acquiring, installing and maintaining the Department's financial management systems. Services provided to the Departmental users include technical support for business process, re-engineering to deploy new financial systems, technical support for financial systems development within operating units, training and hot-line support for users of financial management systems, configuration management and software quality control for implementing changes to the financial systems requested by the operating units.	11	9,680
<u>Digital Department/CIO</u>		
This investment provides for the development of a Digital Department by the end of the year 2000 through updating and modernizing Departmental core technology, thereby significantly improving the delivery of Departmental services to the nation. The Digital Department investment provides for the essential platform and core technology capability for improving service to the public and the technical tools to strengthen internal management. The Department's future telecommunication infrastructure will be determined by identifying the requirements and laying the foundation for upgrading resources and positioning the Department to transition to the new government-wide Federal Telecommunication System (FTS). The Digital Department initiative includes the development of a Department-wide Intranet to strengthen customer access to information; developing and starting a Smart-card based and digital infrastructure capabilities that will efficiently identify individuals authority to access information and physical location; upgrading electronic mail capability to greatly improve the Department's World Wide Web presence and further automating the Department's personnel processes for prospective employees to easily investigate job opportunities.	4	11,850
TOTAL PROGRAM INCREASES	37	\$24,640

Department of Commerce
General Administration
Working Capital Fund
(Dollar amounts in thousands)

	1998 Actuals		1999 Currently Available		2000 Estimate	
	FTE	Amount	FTE	Amount	FTE	Amount
Offices:						
Human Resources Management	57	12,256	79	11,242	84	13,756
Civil Rights	11	1,807	12	1,752	32	1,952
Executive Budgeting and Assistance Management	27	2,367	28	2,557	30	2,793
Financial Management	26	14,587	24	11,442	35	23,290
Security	31	5,234	103	15,555	108	17,216
Administrative Services	108	22,055	126	24,717	126	26,416
Acquisition Management	14	1,759	29	2,430	32	2,844
Systems and Telecommunications	29	5,643	35	4,892	39	16,888
Management and Information	3	910	5	816	5	840
Budget	...	1,612	...	272	1	559
Subtotal, Departmental Staff Services	306	68,230	441	75,675	492	106,554
General Counsel	171	20,733	188	21,409	196	24,461
Public Affairs	12	1,454	17	1,540	17	1,921
TOTAL	489	90,417	646	98,624	705	132,936
Less Intra-Fund Transfers	...	(7,190)	...	(7,284)	...	(7,284)
Total Requirements	489	83,227	646	91,340	705	125,652

Department of Commerce
General Administration
Working Capital Fund
Distribution by Bureau
(Dollar amounts in thousands)

	<u>FY 1998 Actuals</u>	<u>FY 1999 Currently Available</u>	<u>FY 2000 Estimate</u>
Office of the Secretary	\$5,605	\$5,291	\$6,172
International Trade Administration	13,903	14,444	17,678
Economic Development Administration	1,476	1,562	1,702
National Telecommunications and Information Administration	2,194	1,954	2,652
National Technical Information Service	937	977	1,389
Bureau of the Census	9,503	12,965	19,253
Economic and Statistical Analysis	2,134	1,962	2,632
National Oceanic and Atmospheric Administration	18,926	22,718	34,762
National Institute of Standards and Technology	5,254	5,167	8,778
Patent and Trademark Office	6,947	6,872	11,747
Minority Business Development Agency	1,394	1,360	1,708
Bureau of Export Administration	4,005	3,948	4,771
Technology Administration	559	651	746
Office of Inspector General	790	1,018	1,147
Office of Computer Services	256	301	365
Other Agencies	9,344	10,150	10,150
Total	<u>83,227</u>	<u>91,340</u>	<u>125,652</u>